Stafford Loans

A William D. Ford Direct Stafford Loan is extremely low risk loan because the Federal government guarantees them against default. A Federal Stafford Loan allows you to borrow money for your education. Student loans, unlike grants and work-study, are borrowed money that ***must***be repaid, with interest, just like car loans and mortgages. Loans are also legal obligations, so before you take out a student loan, think about the amount you?ll have to repay over the years. For more information regarding Federal Student Loans, please visit the www.FederalStudentAid.ed.gov [1] website.

There are two types of Stafford Loans: Subsidized and Unsubsidized

FederalSubsidized Stafford Loan

- U.S. Department of Education pays interest while borrower is enrolled at least half time (6 credit hours) or during grace and deferment periods
- Have a financial need as determined by your FAFSA application

FederalUnsubsidized Stafford Loan

- Interest begins to accrue immediately after the first disbursement, unlike the Subsidized Stafford loan
- You must be at least a half-time student (6 credits)
- A financial need as determined by your FAFSA application is not a requirement. However, the borrower must have a completed FAFSA on file

Any federal loans disbursed between July 1, 2011 and June 30, 2012 will carry a fixed interest rate of 3.4% for Undergraduates and 6.8% for Graduate and Doctoral students.

PLEASE NOTE: After July 1, 2012 all Undergraduate Stafford Loans will carry a fixed rate of 6.8%.Graduate and Doctoral students will no longer be eligible to received Subsidized Stafford Loans.

Approximately 1% origination and insurance fees may be added to each disbursement. Fee rebates will no longer be offered.

Stafford Loan Annual Maximums			
Year in School	**Dependent Undergraduate**	**Independent Undergraduate***	**Graduate or Professional Student****

Freshman (0-29 earned credit hours)	$5,500 (*maximum of $3,500 can be subsidized*)	$9,500 (*maximum of $3,500 can be subsidized*)	$20,500 (*unsubsidized only*)
Sophomore (30-59 earned credit hours)	$6,500 (*maximum of $4,500 can be subsidized*)	$10,500 (*maximum of $4,500 can be subsidized*)	$20,500 (*unsubsidized only*)
Junior & Senior (60+ earned credit hours)	$7,500 (*maximum of $5,500 can be subsidized*)	$12,500 (*maximum of $5,500 can be subsidized*)	$20,500 (*unsubsidized only*)
Maximum loan debt from Stafford loans at graduation	$31,000 (*no more than $23,000 may be in subsidized loans*)	$57,500 (*no more than $23,000 may be in subsidized loans*)	$138,500 (*no more than $65,000 may be in subsidized loans disbursed prior to July 1, 2012*) **Graduate debt includes loans received as an undergraduate.

** A dependent student whose parent applied and was denied for a Parent PLUS loan is eligible for an increase in the unsubsidized portion of their Stafford Loan*

For more information on the William D. Ford Federal Direct Stafford Loan, please logon to www.direct.ed.gov [2]

Once you have decided to apply for the Federal Stafford Loan, please begin with Entrance Counseling:

1. Please logon to https://studentloans.gov [3] and follow **ALL** steps listed
2. Click "Sign In" under the "Manage My Direct Loan" section
3. Type in all requested information, click "Sign In"
4. Select "Complete Entrance Counseling"
5. Choose your academic status
6. Read all information listed, click ?Next? to move on. You must answer all questions to complete this process.
7. Once completed, please **print** this confirmation page for your records

After completion of the Entrance Counseling the borrower must complete a Master Promissory Note, please follow the steps listed below

1. Select "Complete New MPN"
2. Select the type of loan you are completing
3. Read over the information listed and complete **ALL** steps until you reach the end. **Please print the completed MPN.**

****There may be options that must be expanded to view**

PLEASE NOTE:

For questions regarding the completion of the Entrance Counseling or MPN, contact the Department of Education at 1-800-577-7394. Concerns regarding Delaware State University's financial aid process should be directed to our office.

Source URL: http://desu.edu/financial-aid/stafford-loans

Links:
[1] http://studentaid.ed.gov/redirects/federal-student-aid-ed-gov
[2] http://www.direct.ed.gov/
[3] https://studentloans.gov/